

ORIGINAL

ENVIRONMENTAL PORTFOLIO STANDARD

DOCKET NO. RE-00000C



0000095801

RECEIVED

GREEN POWER AND ENERGY SAVINGS FOR CLEANER AIR A 10: 10

AN AFFORDABLE APPROACH

CHAIRMAN MARC SPITZER
ARIZONA CORPORATION COMMISSION

October 6, 2003

AZ CORP COMMISSION
DOCUMENT CONTROL

"While significant progress is being made, the current EPS funding is not sufficient for Arizona utilities to meet the EPS goal of 1.1 percent of retail energy sales by 2007." CEWG Final Report, June 30, 2003, p. 26

Arizona has made great progress and is a national leader in renewable energy programs. Nonetheless, we need to make corrections to our course in order to achieve the goals of increased renewable energy, cleaner air and stable, reliable energy sources for Arizona's future. To that end, I propose three changes to our EPS Rules that would be reviewed in a special rulemaking process with full stakeholder input.

1. RETURN SYSTEM BENEFITS CHARGES TO ENERGY EFFICIENCY

- a. As part of the current EPS, System Benefits Charges ("SBC") are used to fund EPS activities. We should return all SBC funds to their historic purpose.
- b. Historically, SBC was used for low income weatherization and energy efficiency programs.
- c. In 1993, Arizona allocated 0.24% of its total energy spending to energy efficiency programs. In 2000, we allocated 0.08%¹
- d. In 1993, Arizona saved 146 kWh per capita as a result of energy efficiency programs. In 2000, we saved 4 kWh per capita.²

2. INCREASE EPS FUNDING BY RAISING CERTAIN RATES

- a. Raise residential customer surcharge to an effective \$0.70 from \$0.35 per month.
- b. Raise non-residential customer surcharge to an effective \$26 from \$13 per month.
- c. Raise non-residential customers with demand over 3,000 kW to an effective \$78 from \$39 per month.
- d. Leave municipal lighting surcharge unchanged to acknowledge budgetary issues.

3. REMOVE 'MULTIPLIERS' FOR ALL NEW PROJECTS

- a. Take the government finger off the scale and allow all renewable technologies to compete on a fair basis.
- b. Allow multipliers to remain in place for all projects built or currently under construction.

Arizona Corporation Commission

DOCKETED

OCT 06 2003

¹ The Regulatory Assistance Project, "Who should deliver ratepayer funded energy efficiency?", May 2003

² Ibid

DOCKETED BY	CAR
-------------	-----